



THE COMMISSIONER OF CUSTOMS

July 6, 1999

WASHINGTON, D.C.

Ms. Lynn M. Bragg
Chairman
United States International Trade Commission
500 E Street, SW.
Washington, D.C. 20436

Dear Ms. Bragg:

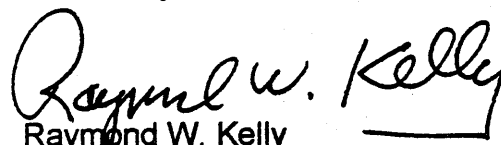
Thank you for your letter dated April 15, 1999, requesting comments from the U.S. Customs Service on your draft of a possible simplified Harmonized Tariff Schedule of the United States (HTS).

The U.S. Customs Service strongly supports your efforts to simplify the current HTS. In my statement to the Senate Finance Committee at their oversight hearings last month, I indicated that tariff simplification would improve trade compliance and facilitate the movement of legitimate international cargo.

I believe your initial efforts at tariff simplification are an excellent first step towards this goal. Enclosed are our comments on your first draft. We have identified additional areas where we believe simplification would be beneficial to both the trade community and the Customs Service.

We look forward to working closely with your agency in developing subsequent proposals, which, will eventually lead to implementation of a simplified HTS. During the development of the new HTS, perhaps our agencies, along with the Bureau of the Census, should consider a moratorium by the 484e Committee on any new statistical annotations to the current HTS. If you have any questions concerning our submission, please contact Mr. Stuart Seidel, Assistant Commissioner for Regulations and Rulings at (202) 927-0760.

Yours truly,


Raymond W. Kelly
Commissioner

Enclosure

SECTION I

CHAPTER 3

0304.20.20 - Delete. Heading 0304.20.20 is an "actual use" provision. As of January 1, 1999, all frozen fish fillets became free of duty. No further reason exists for an importer to undertake the documentation and record keeping required for preferential duty treatment under the actual use provision. The free rate is available for all frozen fish fillets, regardless of how they are used after importation.

SECTION II

CHAPTER 7

0713.39.3040 - Delete. Cannot classify anything as an "other lima bean" if there is no subheading for "lima beans" to distinguish it from. Since the subheading for lima beans was removed, this must be removed too.

SECTION IV

CHAPTER 20

2005.70.0230 & 2005.70.0260 - Delete. Impossible tariff provision as ripe olives are not naturally green in color.

2008.92.9092 - Delete. The products this heading was created for (i.e., muesli) are now classified in 1904. Removal of this subheading would be consistent with the removal of the same subheading that appeared in 2008.92.10.

2106.90.3200, 2106.90.3400 & 2106.90.3600 - Delete. Impossible tariff provisions. Butterfat is a milk solid. Articles cannot contain no more than 10% milk solids and still have over 45% butterfat.

SECTION VI

CHAPTER 29

2922.50.13 - Combine. Into 2922.50.2725 (or create a new statistical breakout for "respiratory drugs". No meaningful statistics generated from such an enumeration; all products are listed in Pharmaceutical Appendix; Column 2 duty rate is only difference here.

2924.29.41 & 2924.29.47 - Combine. One subheading for pesticides preferable. Enumerated lists like this provide little or no statistical meaning for the named articles; column 2 duty rate is only difference here.

2937.99.2500 & 2937.99.9950 - Combine. One provision 2937.99.9950 preferable; little or no statistical meaning for such a list; column 2 duty rate is only difference.

CHAPTER 30

3004.40.0045 - Consolidate. Either enumerate types of "medicaments primarily affecting the nervous system" - i.e., anticonvulsants, antidepressants, etc, or, better, collapse all into one "other" with no description. As proposed, the subheading may lead to classification of medicaments whose actions may be central in part, but whose primary actions are peripheral. Possible compliance problems.

3004.50.5010, 3004.50.5020, 3004.50.5030 & 3004.50.5040 - Combine. Collapse all into one (non-veterinary) "other". The presence of these statistical subheadings creates the illusion that all single and multiple vitamin products (daily vitamin supplements) are classified as medicaments. In fact, they are classified in Chapter 21. These breakouts are misleading and may cause compliance problems.

CHAPTER 37

3705.90.0000 - Omitted from the proposed text. Since this is a six-digit subheading, the omission appears to be inadvertent. Therefore, we recommend review by the ITC.

SECTION VII

CHAPTER 39

3917.32.2000 - Delete. This subheading for casing for bicycle cables is inconsistent with the U.S. position that tubes of 3917 must be of a type used for conducting liquids and gases and also appears to be inconsistent with the U.S. position that cut-to-length cable is classifiable as a bicycle part.

3920.42.1000 & 3920.42.5000 - Combine. Extremely difficult to administer. The distinction between imitation patent and other requires visual examination of each product.

3920.51.1000 & 3920.50.5000 - Combine. The duty distinction, at one time significant, is now insignificant.

3921.90.40.25 - Delete. Based on QMS v. U.S., inked PET film for thermal transfer ribbons is not classifiable in Chapter 39.

3923.40.0010 & 3923.40.0050 - Combine. No significant trade volume for photographic film reels and reel cans.

3923.90.0012, 3923.90.0014, & 3923.90.0016 - Combine. Difficult to administer

3926.90.4510 & 3926.90.4590 - Combine. Difficult to administer, causes compliance problems for importers.

3926.90.8700 - Consider eliminating. Confusion by importers about what is really meant by "flexible plastic document binders with tabs, rolled or flat" causes many more products to be entered here than are described by the breakout, resulting in inaccurate statistics.

3926.90.9825-Delete. Incorrect subheading -reflective triangular warning signs for road use are most likely classified in subheading 9013.80.9000, as other optical appliances and devices.

CHAPTER 40

4011.20.10 - Combine all statistical breakouts.

4011.20.50 - Combine all statistical breakouts.

4011.91.00 & 4011.910050 - Delete. Difficult to administer.

4011.99.1000 - Delete. Difficult to administer.

4012.10.2000 - Delete. Difficult to administer.

4012.10.40 - Combine all statistical breakouts.

4012.10.80 - Combine all statistical breakouts.

4012.20.1050 - Delete. Difficult to administer.

4013.90.1000 - Delete. Difficult to administer.

4016.93.1010, 4016.93.1020 & 4016.93.1050 - Combine. Difficult to administer, causes compliance problems for importers; no domestic interest (AIAM-Association of International Automobile Manufacturers -and AAMA -American Automobile Manufacturers Association have also requested this change)

4016.93.5010, 4016.93.5020 & 4016.93.5050 - Combine. Difficult to administer, causes compliance problems for importers; no domestic interest (AIAM-Association of International Automobile Manufacturers - and AAMA -American Automobile Manufacturers Association have also requested this change)

4016.99.3130 & 4016.99.3135 - Combine (formerly 4016.99.3000 & 4016.99.3500). Difficult to administer, causes compliance problems for importers.

4016.99.7005, 4016.99.7010 & 4016.99.7050- Combine (formerly 4016.99.5500, 4016.99.6010 & 4016.99.6050). Difficult to administer, compliance problems for importers.

SECTION VIII

CHAPTER 41

U.S. Note 1. should be eliminated. Difficult to administer, compliance problems for importers.

4104.10.6000 & 4104.10.8000 - Combine. Difficult to administer, compliance problems for importers.

4104.31.60 & 4104.31.80 - Combine. Difficult to administer, compliance problems for importers.

4104.39.60 & 4104.39.80 - Combine. Difficult to administer, compliance problems for importers.

4105.20.30 & 4105.20.60 - Combine. Difficult to administer, compliance problems for importers.

4106.20.3000 & 4106.20.6000 - Combine. Difficult to administer, compliance problems for importers.

4107.29.3000 & 4107.29.6000 - Combine. Difficult to administer, compliance problems for importers.

4107.90.3000 & 4107.90.6000 should be combined. Difficult to administer, compliance problems for importers.

CHAPTER 42

4202.22.3500 through 4202.22.4040 should be combined with comparable 4202.22.4500 through 4202.22.9560. Unlike the practice common at the inception of the former Tariff Act of 1930, the use of "braid" in the manufacture and sale of HANDBAGS is no longer significant in the HANDBAG industry. When converting from the TSUSA to the HTSUSA the USITC had deleted the reference to "Braid" from the comparable TSUSA Luggage and Flat Goods provisions based on the lack of significance and did not receive significant adverse opinion from the impacted trades which included the HANDBAG trade. The same factual information and reasoning why the reference to "Braid", was not continued from the TSUSA Luggage and Flat Goods provisions into the comparable HTSUSA applies to the reference to "Braid" in the HTSUSA HANDBAGS provisions. HTSUSA Heading 4202 can be simplified by eliminating 4202.22.3500 through 4202.22.4040 making each subheading uniform.

4202.22.7000 combine with 4202.22.8080. Combine for the same reasoning as proposed USITC combination of HTS 4202.12.8010 & 4202.12.8040 into new 4202.12.8041.

4202.32.1000 combine with 4202.32.200 and a new 4202.32.3000 be created. Original USITC conversion of TSUS, Schedule 7, part 1, Subpart , eliminated the tariff provision for "of reinforced or laminated plastics" from the equally provided Luggage and Handbags provisions. The Luggage, Handbags and Flat Goods (Articles of a kind Normally Carried in the Pocket or Handbag) trades are substantially identical. Each subheading should be consistent with each other. There is no significant product distinction between a good of reinforced or laminated sheeting of plastics, or a good of non-reinforced or laminated sheeting of plastics. Simplification would eliminate needless Administrative verification of construction.

SECTION X

CHAPTER 48

4804.31.0010 & 4804.31.0020 - Combine. Almost all of the trade volume is in one of these. The other is minuscule.

4805.70.0020 - Delete. Practically no trade volume.

4805.80.0020 - Delete. Relatively low trade volume; difficult to administer.

4807.90.1000 - Delete. No appreciable trade volume.

4809.20.0020 & 4809.20.0040 - Combine. Difficult to administer; causes compliance problems for importers.

4809.90.0040 & 4809.90.0060 - Combine. Difficult to administer; causes compliance problems for importers.

4810.11.0020 - Delete. This is a provision based on end use, which is one of the criteria for "additional simplification".

4810.31.0020 - Delete. Relatively low trade volume.

4811.39.0042 - Delete. Relatively low trade volume.

4823.59.0020 - Delete. Provision based on end use.

CHAPTER 49

4901.99.0060 & 4901.99.0065 - Combine. These are provisions based on value, which is one of the criteria for "additional simplification".

SECTION XI

Statistical Notes 1. & 2. - Delete. Refers to restraint levels which were eliminated.

CHAPTER 57

5701.10.25 - Delete. Difficult to administer; causes compliance problems.

5702.31.10 & 5702.31.20 - Combine. Difficult to administer, compliance problems.

5702.41.0010 & 5702.41.0090 - Combine. Difficult to administer, compliance problems.

5702.42.0010 & 5702.42.0090 - Combine. Difficult to administer, compliance problems.

5703.10.0020 & 5703.10.0080 - Combine. Difficult to administer, compliance problems.

5703.30.0020 & 5703.30.0080 - Combine. Difficult to administer, compliance problems.

CHAPTER 61

6104.53.1000, 6104.63.1500 & 6104.69.4000 - Delete. Currently exists (apparently) for quota category purposes. Since the categories have been removed, there no longer is a need for the breakout.

6106.90.1500 & 6106.90.2500 - Combine. Assuming the indentation for the two "other breakouts will be as it is in the current HTS, the first number, which exists for quota category purposes, is unnecessary.

6116.92.9825 & 6116.92.9875 - Eliminate. Substitute with 6116.92.98.0000, other. Commercially more realistic as 6116.92.9875 not a plausible provision.

CHAPTER 62

6204.13.1000 - Delete. Refers to category designations which were eliminated. It appears these distinctions are no longer needed.

6204.19.1000 - Delete. Refers to category designations which were eliminated.

6204.31.1000 - Delete. Refers to category designations which were eliminated.

6204.32.1000 - Delete. Refers to category designations which were eliminated.

6204.33.1000 - Delete. Refers to category designations which were eliminated.

6204.33.2000 - Delete. Refers to category designations which were eliminated.

6204.33.4000 - Delete. Refers to category designations which were eliminated.

6204.39.2000 - Delete. Refers to category designations which were eliminated.

6204.41.1000 - Delete. Refers to category designations which were eliminated.

6204.42.2000 - Delete. Refers to category designations which were eliminated.

6204.42.30 - Delete. Causes compliance problems for importers, however, there may be domestic interest in retaining provision. Question: This breakout "with two or more colors in the warp and/or filling" was retained although similar reference to this phrase was removed from dresses of synthetic fibers. Is this based on domestic interest? Breakouts pertaining to women's and girls' were renumbered. Assume this was done to capture statistical information as such references were eliminated from the suit and man-made fiber headings.

6204.43.2000- Delete. Refers to category designations which were eliminated.

6204.43.3000 - Delete. Refers to category designations which were eliminated.

6204.44.3000- Delete. Refers to category designations which were eliminated.

6204.53.20 00, 6204.59.20 00, 6204.63.25 00 & 6204.69.20.00 - Delete. Number currently exists (apparently) for quota category purposes. Since the categories have been removed, there no longer is a need for the breakout.

6206.30.3010 through 6206.30.3055 - Combine. Difficult to administer, causes compliance problems , breakouts should be eliminated unless there is sufficient domestic interest. Note breakout for "with two or more colors...." retained here but the 1993 breakout in heading 6211 was omitted. Also, breakouts for women's and girls' have been renumbered. Are these required?

6206.40.2000 - Delete. Refers to category designations which were eliminated.

6206.40.2500 - Delete. Refers to category designations which were eliminated.

6206.40.30 - Delete. Causes compliance problems for importers. Breakouts should be eliminated unless there is sufficient domestic interest. It is noted that "with two or more colors" is retained here but there are no breakouts for women's or girls. Is this deliberate?

6212.10.7510 through 6212.10.7570 - Delete statistical suffixes. The statistical breakouts do not seem to be particularly meaningful.

6213.20.1000 & 6213.20.2000 - Combine. Difficult to administer, causes compliance problems with importers.

CHAPTER 63

6302.21.3000 & 6302.21.70 - Combine. Difficult to administer, compliance problems.

6302.21.5000 & 6302.21.90 - Combine. Difficult to administer, compliance problems.

6302.22.10 & 6302.22.20 - Combine. Difficult to administer, compliance problems.

6302.31.3000 & 6302.31.70 - Combine. Difficult to administer, compliance problems.

6302.31.5000 & 6302.31.90 - Combine. Difficult to administer, compliance problems.

6302.31.10 & 6302.32.20 - Combine. Difficult to administer, compliance problems.

6302.51.10, 6302.51.20 & 6302.51.30 - Combine. Difficult to administer, compliance problems.

6302.60.0010 & 6302.60.0020 - Combine. Difficult to administer, compliance problems.

6302.91.0015, 6302.91.0035, 6302.91.0045 & 6302.91.0050 - Combine. Difficult to administer, compliance problems.

6302.91.0022 & 6302.91.0060 - Combine. Difficult to administer, compliance problems.

6303.92.0025 and 6303.92.0075 - Combine. Difficult to administer, compliance problems.

6304.19.05 & 6304.19.10 - Combine. Difficult to administer, compliance problems.

6304.19.15 & 6304.19.35 - Combine. Difficult to administer, compliance problems.

6307.10.1000, 6307.10.2008, 6307.10.2020, 6307.10.2024 & 6307.10.2030 - Combine. Difficult to administer, compliance problems.

SECTION XII

CHAPTER 65

6504.00.0030 & 6504.00.0060 - Combine. Difficult to administer, compliance problems.

6505.90.5000 & 6505.90.6000 - Combine. Difficult to administer, compliance problems.

6505.90.70 & 6505.90.80 - Combine. Difficult to administer, compliance problems.

6506.10.0020 & 6506.10.0040 - Combine. Difficult to administer, compliance problems.

6506.10.0060 & 6506.10.0080 - Combine. Difficult to administer, compliance problems.

SECTION XIII

CHAPTER 70

7013.99.25 combine with 7013.99.65, 7013.99.75 or 7013.99.85. Would simplify by classifying smoker's articles with other glassware for toilet, office, indoor decoration or similar purposes.

SECTION XV

CHAPTER 73

7307.21.10 & 7307.21.50 - Combine. Difficult to administer.

7307.91.25 - Delete. Difficult to administer.

7307.99.20 - Delete. Difficult to administer.

7315.80 - Retain existing statistical breakouts. Proposed renumbering is confusing and will disrupt trend analysis.

CHAPTER 83

8302.42.3010 - Delete statistical suffix. All other statistical references to this merchandise have been eliminated.

8302.42. 3015 - Delete statistical suffix. Breakout was meant to aid compliance of a antidumping finding. Dumping case now obsolete, no domestic interest.

SECTION XVI

CHAPTER 84

8412.29.0015 through 8412.29.0060 - Combine. Difficult to administer.

8412.90.0002 through 8412.90.0085 - Combine. Difficult to administer.

8413.30.0005 through 8413.30.0090 - Combine. Provisions based on use.

8413.50.0005 through 8413.50.0095 - Combine. Difficult to administer.

8413.60.0020 through 8413.60.0085 - Combine. Difficult to administer.

8413.70.0020 through 8413.70.0095 - Combine. Difficult to administer.

8413.91.1000, 8413.91.8050 and 8413.91.8090 - Combine. Provisions based on use, difficult to administer.

8414.59.0045 through 8414.59.0090 - Combine. Difficult to administer.

8414.90.9525 and 8414.90.9560 - Combine. Difficult to administer.

8418.99.9040 & 8418.99.9060 - Combine. Difficult to administer.

8420.10.8020, 8420.10.8040, & 8420.10.8080 - Combine into a single subheading, difficult to administer.

8420.91.8040, 8420.91.8080 - Combine into a single subheading, difficult to administer.

8420.99.9010, 8420.99.9020, & 8420.99.9090 - Combine into a single subheading, difficult to administer.

8421.99.0040 & 8421.99.0080 - Combine. Difficult to administer.

8422.30.0030, 8422.30.0040 - Combine into a single subheading, difficult to administer; parallels combination of 8422.30.9050 & 8422.30.9060 into proposed 8422.30.0055.

8422.30.0080, 8422.30.0090 - Combine. Difficult to administer.

8422.40.0020 & 8422.40.0050 - Delete. Difficult to administer.

8422.90.9010 - Delete. Difficult to administer; parallels recommendation to remove 8422.40.1020, 8422.40.1040.

8426.49.0010, 8426.49.0090 - Combine. Difficult to administer.

8427.10.0010, 8427.10.0095 - Combine. Difficult to administer

8455.30 - Eliminate all statistical breakouts as they are difficult to administer.

8472.90.2560 . Suggest amending the text by deleting the words "Accessory and" so as to eliminate the confusion with 9009.90.0030. Machines used with copiers are in 8472. Parts used with copiers are in 9009.

8474.10.0010, 8474.10.0090 - Combine. Difficult to administer

8474.20.0010 - Delete. Difficult to administer.

8474.80.0010, 8474.80.0015 - Combine. Difficult to administer.

8477.10.4000 - Delete. Difficult to administer (no way to distinguish from an injection molding machine of proposed subheading 8477.10.90).

8477.10.9030, 8477.10.9040, 8477.10.9050 & 8477.10.9060 - Combine. Difficult to administer.

8477.20.0005, 8477.20.0015 - Combine into a single subheading, difficult to administer.

8477.20.0035, 8477.20.0045 & 8477.20.0060 - Combine into a single subheading, difficult to administer.

8479.89.7000 - Delete. No trade volume

8481.20.0010 through 8481.20.0050 - Combine. Difficult to administer.

8481.20.0060 through 8481.20.0080 - Combine. Difficult to administer.

8481.80.50 & 8481.80.90 - eliminate breakouts for "hand operated" appliances - difficult to administer, provisions for hand operated valves are avoided by shipping valves "bare stemmed", i.e., without handles.

8481.90.30 through 8481.90.90 - Combine. Difficult to administer, provisions based on use.

8482.10.5004 and 8482.10.5022 through 8482.10.5070 - Combine. Maintain breakout for linear bearings, 8482.10.5012, which are not currently subject to ADA.

8483.10.2020 through 8483.10.2080 and 8483.10.5000 - Combine. Difficult to administer, provisions based on use.

8483.20.4040 & 8483.20.8040 - Combine. Difficult to administer.

8483.20.4080 & 8483.20.8080 - Combine. Difficult to administer.

8483.30.0010 & 8483.30.0030 - Combine. Difficult to administer.

8483.40.20, 8483.40.60 & 8483.40.90 - Combine. Difficult to administer, provisions based on use

8483.50.4000, 8483.50.8040 & 8483.50.8080 - Combine. Difficult to administer.

8483.90.7000 - Delete. Provision appears to have some overlap with 8483.90.4000

8483.90.9005 & 8483.90.9015 - Combine. Difficult to administer.

CHAPTER 85

8504.22.0040 & 8504.22.0080 - Combine. Difficult to administer, causes compliance problems for importers.

8504.31.4035 & 8504.31.4065 - Combine. Difficult to administer, causes compliance problems for importers.

8504.33.0020 & 8504.33.0040 - Combine. Difficult to administer, causes compliance problems for importers.

8504.40.2010 through 8504.40.2080 - Combine. Difficult to administer, causes compliance problems for importers.

8504.40.9020 through 8504.40.9050 - Combine. Difficult to administer, causes compliance problems for importers.

8517.19.0020 & 8517.19.0040 - Eliminate. No trade volume, difficult to administer, causes compliance problems for importers.

8532.21.00 through 8532.29.00 - Statistical suffixes should be combined/eliminated. We question the need to maintain these breakouts. They are difficult to administer, and cause compliance problems for importers.

8532.30.00 - Statistical suffixes should be combined/eliminated. Same as above.

8533.10.00 - Statistical suffixes should be combined/eliminated.

8533.21.00 - Statistical suffixes should be combined/eliminated.

8533.39.00 - Statistical suffixes should be combined/eliminated.

8533.40.00 - Statistical suffixes should be combined/eliminated.

8540.12.00 - Statistical suffixes should be combined/eliminated.

8540.60.00- Statistical suffixes should be combined/eliminated.

8541.10.0050 through 8541.10.0080 - Statistical suffixes should be combined/eliminated.

8541.21.0075 through 8541.21.0095 - Statistical suffixes should be combined/eliminated.

8541.29.0075 through 8541.29.0095- Statistical suffixes should be combined/eliminated.

8541.40.0010 through 8541.40.0090 - Statistical suffixes should be combined/eliminated.

8541.60.00 - Statistical suffixes should be combined/eliminated.

8542.13.0031 through 8542.13.0049- Statistical suffixes should be combined/eliminated.

8542.13.0061 & 8542.13.0062 - Statistical suffixes should be combined/eliminated.

8542.30.0060 through 8542.30.0090- Statistical suffixes should be combined/eliminated.

8542.40.00 - Statistical suffixes should be combined/eliminated.

SECTION XVII

CHAPTER 87

8703.23.00.42 through 8703.23.0052 - Delete subheadings using interior volume. Those numbers which are keyed to interior volume are difficult to administer. They cause compliance problems for importers, and, according to the Original Equipment Manufacturers trade, and have no domestic interest. The number of cylinders can be kept.

8703.23.0060 through 8703.23.0080 - Delete subheadings using interior volume. Those numbers which are keyed to interior volume are difficult to administer. They cause compliance problems for importers, and, according to the Original Equipment Manufacturers trade, have no domestic interest. The number of cylinders can be kept.

8703.24.0052 through 58 - Combine.

8703.24.0062 through 70 - Combine.

8704.10.0040, 60 & 80 - Combine.

8704.22.5030, 60 & 80 - Combine.

8708.50.9045 & 90 - Combine.

8708.60.9060 & 90 - Combine.

8708.70.9030 & 45 - Combine.

8708.70.9060, 75 & 90 - Combine.

8708.80.90945 & 90 - Combine.

8708.93.9045 & 90 - Combine.

SECTION XVIII

CHAPTER 90

9006.40.0040 & 9006.40.8000 - Combine. Difficult to administer

9006.52.4000, 9006.52.8020 through 9006.52.8080 - Combine. Difficult to administer

9006.53.0010 & 9006.53.0020 - Combine. Difficult to administer.

9006.53.0050 & 9006.53.0070 - Combine. Difficult to administer

9006.59.4000 & 9006.59 .8000 -Combine. Difficult to administer.

9009.90.030 & 8472.90.2560 - Combine. Suggest adding auxiliary machines to 9009.90 to ease administration and compliance. (This suggestion also appears in Chapter 84)

9011.20.4000 & 9011.20.8000 - Combine. Difficult to administer.

9014.20.90 and 9014.90.00. Eliminate statistical breakouts for use in civil aircraft. Since free anyway, independent of the Agreement on Trade in Civil Aircraft , there is no point for this distinction, which is missing for many other items, such as the automatic pilots of 9014.20.40

9015.10.4000 & 9015.10.8000 - Combine. Difficult to administer and obsolete term-"electrical" .

9015.30.4000 & 9015.30.8000 - Combine. Difficult to administer and obsolete term-"electrical".

9015.40.4000 & 9015.40.8000 - Combine. Difficult to administer and obsolete term-"electrical"

9015.90.3000, 9015.90..6000 & 9015.90.9000 - Combine. Difficult to administer and obsolete term used - "nonelectrical"

9018.19.00. Eliminate all statistical breakouts. Difficult distinctions with no known point.

9018.39.00 Eliminate statistical breakout for Rubber Catheters. This may cause confusion in light of Note 1. (a) to Chapter 90 which excludes appliances for technical uses of vulcanized rubber other than hard rubber.

9018.49.00. Eliminate all statistical breakouts. Dental burrs are on their way out due to lasers, water pulsation, etc. Hand instruments are easily confused with anything held in the hand even though attached to something else.

9018.90.00 Eliminate all statistical breakouts except for dialysis. Correct statistics requires knowledge of what the invoice's mysterious acronyms, model numbers, or highly technical terms mean. The popularity of "other" indicates that the current stat breakouts should be reviewed and simplified. Otherwise, with everything free of duty, the error rate may go even higher, so gathered statistics will be unreliable.

9025.11.00. Eliminate clinical statistical breakouts. Clinical liquid filled are definitely on their way out.

9025.80.30 & 9025.80 .60 and 9025.90.30 & 9025.90.40 - Eliminate and fold into "other". These distinctions are difficult to administer, small quantity of imports.

9026.10, 9026.20, 9026.80 & 9026.90. Eliminate the "electrical" statistical breakouts. Many ports and importers either are not aware of the surprising definition of electrical in U.S. Note 2. to Chapter 90 or wrongly think it means any instrument that uses electricity somewhere, which is virtually all of them now. Making the actual distinction, requires very detailed information about the exact operation of the instrument, which many importers do not have and which most of the ports do not understand. Per ACS DCT, Customs has long excluded from "electrical" items with digital or pulsed electrical outputs from their sensors.

9027.10.00. Eliminate the electrical statistical breakout. Same as above.

9027.80.0020 & 9027.80.0030. Merge into one Chemical and Physical. There are more and more devices that are not simply one or the other.

9029.20.8040. Eliminate the civil aircraft breakout. Since free anyway, independent of the Agreement on Trade in Civil Aircraft, there is no point for this distinction, which is missing for many other items, such as the automatic pilots of 9014.20.40.

9031.80.40. Eliminate. This is simply a mistake. Electron beam microscopes are in heading 9012, excluded from heading 9031 by its EN, and handling equipment is in heading 8428, excluded from Chapter 90 by Note 1. (g). How does the combination become 9031?

9031.80.8060 & 9031.80.8070. Merge into one statistical breakout. In the age of microchip controls, the line between electrical and non-electrical characteristics in an internal combustion engine is quite hazy since an integrated chip is involved in almost everything.

9032.81.00.40. Eliminate the statistical breakout. Hydraulic or pneumatic regulation as a whole is on its way out. The electronic, either integrated circuit or computer, is taking over.

9032.89.90. Eliminate all the statistical breakouts except for Flow and Liquid Level control instruments. Difficult to administer; what Process Control is as opposed to "Other". (a) What is a process control, temperature control instrument, which is not a thermostat in subheading 9032.10 as described by the ENs? Similarly for pressure control and manostats in subheading 9032.20. (b) What are plausible control instruments for air conditioning, refrigeration, or heating systems that are not thermostats or manostats? (c) Draft control is confusingly close to the valves and similar appliances, including thermostatically controlled ones, of heading 8481. It just adds to the confusion.

9032.90.9060 - Eliminate. Hydraulic and pneumatic control is on its way out.

SECTION XX

CHAPTER 94

9404.29.10 & 9404.29.90 - Combine. We question the need for the cotton breakouts. Difficult to administer.

9404.90.8020 & 9404.90.85 - Combine. Difficult to administer, compliance problems.

9404.90.8040 & 9404.90.95 - Combine. Difficult to administer, compliance problems.

CHAPTER 95

9505.10.0040, 9505.10.0045, 9505.10.0050 & 9505.10.0060 - Delete. Obsolete provisions due to Court Case.

CHAPTER 96

9606.10.4000 & 9606.10.8000 - Delete. Low Trade Volume..

9608.40.4000 & 9608.40.8000 - Combine. This would to eliminate compliance problems for importers.

IMPACT OF PROPOSAL ON NAFTA RULES OF ORIGIN

As noted in the Introduction to the Investigation, simplification affects specific tariff provisions created for purposes of the NAFTA rules of origin. Attached is a list of the tariff items affected by the simplification. We note that the elimination of these tariff items will have impact on the benefits granted to these goods under the NAFTA.

The external tariffs of the NAFTA Parties are not uniform and, in some cases, vary widely. Therefore, for goods that were not already uniformly free of duty in their respective tariff schedules, the three Parties created NAFTA-specific tariff provisions to ensure that uniform tariff treatment would be available under the NAFTA rules of origin for specific goods traded among the three Parties. By eliminating the specific U.S. tariff provisions created for this purpose, the U.S. would be affecting not only treatment in the U.S. tariff, but presumably treatment in the tariffs of our NAFTA partners. Because the rates in those tariffs may vary considerably from the NAFTA rate, the elimination of the tariff provision in the United States may in some cases, have an adverse effect on U.S. exports.

Furthermore, pursuant to 19 CFR 24.23(b)(1)(i), there is no merchandise processing fee for NAFTA-eligible goods imported into the United States from Canada or Mexico. To the extent that the simplification would make it impossible to provide a trilateral rule for these specific goods, these goods would become subject to the merchandise processing fee when imported into the United States.

With respect to the simplification for automotive products, the NAFTA rules of origin establish a detailed tracing rule under which the non-originating value for the regional value content is determined by specific non-originating goods identified in Annex 403.1 to the NAFTA. Goods on the tracing list may also be subject to the automotive tracing rule. Simplification in this area will affect the uniformity required by the tracing list.

We believe that these commercial and regulatory consequences must be taken into account in determining whether the proposal in this area should proceed.

TRILATERAL NAFTA TARIFF ITEMS AFFECTED BY ITC PROPOSED SIMPLIFICATION

2106.90.aa
2309.90.aa
2401.10.aa
2401.20.aa
2905.49aa

4016.99.aa
5402.43.aa
5402.52.aa
5407.61.aa
5408.22.aa
5408.23.bb
5408.24.aa
5903.10.aa
5903.20.aa
5903.90.aa
5906.99.aa
5907.00.aa
6002.92.aa
6303.92.aa
6701.00.aa
7011.20.aa
7101.10.aa
7101.22.aa
7304.41.aa
7321.11.aa
7321.90.aa, bb, cc
7404.00.aa
7407.10.aa
7407.21.aa
7407.22.aa
7407.29.aa
7408.11.aa
7506.10.aa
7506.20.aa
8102.92.aa
8111.00.aa
8406.90.aa, bb, cc
8407.34.aa, bb
8414.59.aa
8414.80.aa
8414.90.aa
8415.90.aa
8418.99.aa
8421.39.aa
8421.91.aa, bb
8422.90.aa, bb
8427.10.aa
8427.20.aa
8450.90.aa, bb
8451.90.aa, bb

8455.90.aa
8466.93.aa
8466.94.aa
8471.49.aa, bb, cc, dd, ee, ff, gg, hh, ii, jj, kk, ll, mm, nn oo, pp, qq
8471.60.aa, bb, cc, dd, ee, ff, gg, hh, ii, jj, kk, ll
8471.80.aa, cc
8473.10.aa, bb
8473.30.aa, bb, cc
8473.50.aa, bb
8477.90.aa, bb, cc
8479.89.aa
8479.90.aa, bb, cc, dd
8482.99.aa
8483.50.aa
8501.32.aa
8503.00.aa
8504.40.aa, bb
8504.90.aa, bb
8507.20.aa
8507.30.aa
8507.40.aa
8507.80.aa
8508.90.aa
8509.90.aa
8516.90.aa, bb, cc, dd, ee, ff, gg, hh
8517.19.aa
8517.50.aa, bb
8517.80.aa
8517.90.aa, bb, cc, dd, ee, ff, gg
8522.90.aa
8525.30.aa
8528.12.aa, bb, cc, dd, ee, ff, gg
8528.21.aa, bb, cc, dd, ee, ff, gg
8528.30.cc, ee, ff, gg
8529.90.aa, bb, cc, dd, ee, ff, gg
8531.80.aa
8531.90.aa
8533.40.aa
8533.90.aa
8535.90.aa
8536.30.aa
8536.50.aa
8537.10.aa, bb
8538.90.aa, bb, cc
8540.11.aa, bb, cc, dd

8540.12.aa, bb
8540.91.aa
8540.99.aa
8542.13.aa
8542.14.aa
8542.19.aa
8543.89.aa
8543.90.aa
8548.10.aa
8607.19.aa, bb, cc, dd
8702.10.aa, bb
8702.90.aa, bb
8706.00.aa, bb
8708.10.aa
8708.29.aa, bb, cc
8708.50.aa
8708.60.aa
8708.70.aa
8708.80.aa
8708.93.aa
8708.99.aa, bb, cc, dd, ee, ff, gg, hh
9005.90.aa
9007.19.aa
9009.90.aa, bb
9018.11.aa, bb
9018.19.aa, bb
9018.90.aa, bb
9022.90.aa, bb
9027.80.aa
9030.90.aa
9031.49.aa
9031.90.aa
9614.20.aa